

**OFFICE OF THE LIEUTENANT GOVERNOR**  
**EVELYN SANGUINETTI – LIEUTENANT GOVERNOR**

**Local Government Consolidation and Unfunded Mandates Task Force**

**Meeting Minutes**

Tuesday, December 8, 2015

11:00AM

16th Floor, Room 504

James R. Thompson Center

100 W Randolph St

Chicago, IL 60601

*And supplemental location via videoconferencing*

Lieutenant Governor's Springfield Office

Room 214

Illinois Capitol Building

Springfield, Illinois 62707

<b>Name</b>	<b>Title</b>	<b>Organization</b>	<b>Present</b>
Evelyn Sanguinetti	Lt. Governor	State of Illinois	Yes
Tom Demmer	Representative	90 <sup>th</sup> District	Phone
Mark Batinick	Representative	97 <sup>th</sup> District	Phone
Jack Franks	Representative	63 <sup>rd</sup> District	No
Emmanuel Chris Welch	Representative	7 <sup>th</sup> District	No
Dan Duffy	Senator	26 <sup>th</sup> District	Phone
Dale Righter	Senator	55 <sup>th</sup> District	No
Martin A. Sandoval	Senator	12 <sup>th</sup> District	No
Linda Holmes	Senator	42 <sup>nd</sup> District	Yes
Karen Darch	Mayor	Barrington	Yes
Karen Hasara	Former Mayor	Springfield	Phone
Brad Cole	Executive Director	Illinois Municipal League	Yes
Ryan Spain	City Council Member	Peoria	No
Dan Cronin	Chairman	DuPage County	No
Michael Bigger	Former Chairman	Stark County	Phone
Mark Kern	Chairman	St. Clair County	No
John Espinoza	Board Member	Whiteside County	Yes
Dr. Darlene Ruscitti	Regional Superintendent	DuPage Schools	Phone
Steffanie Seegmiller	Chairman	Arthur School Board	Phone
M. Hill Hammock	Senior Fellow	Metropolitan Planning Council	No

Char Foss-Eggemann	Trustee	Park Ridge Library Board	Yes
Warren L. Dixon III	Township Assessor	Naperville	Yes
George Obernagle	Chairman	Kaskaskia Regional Port District	Phone
<b>Non-Voting Members</b>			
Clayton Frick		Deloitte Services LLP	Phone
Mr. Aranowski			Yes
Mr. Kersey			No
Mr. Zigmund			No
Mr. Perkins			Yes*

\*denotes presence at Springfield location

The Local Government Consolidation and Unfunded Mandates Task Force met for the fourteenth time on December 8<sup>th</sup>, 2015 with Lieutenant Governor and Chair Evelyn Sanguinetti presiding.

#### **MEETING LOCATION**

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James R. Thompson Center  
100 W Randolph St  
Chicago, IL 60601

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Lieutenant Governor's Springfield Office  
Room 214  
Illinois Capitol Building  
Springfield, Illinois 62707

#### **MEETING START**

Meeting Scheduled Start: 11:00AM  
Meeting Actual Start: 11:09AM

#### **AGENDA**

- I. Call to Order and Roll Call
  - a. Lt. Governor Sanguinetti called the meeting to order at 11:09AM CT and welcomed members.
  - b. Roll Call was taken. Quorum was met at this time.
- II. Approval of meeting minutes from December 1, 2015
  - a. Lt. Governor Sanguinetti opened the minutes from the previous meeting for correction.
  - b. Seeing no corrections, Lt. Governor Sanguinetti sought a motion for the approval of the meeting minutes from December 1<sup>st</sup>, 2015.
    - i. Cole moved the motion to approve. Darch seconded.
    - ii. The motion was approved by majority ayes with no nays recorded.

III. Chairman's Remarks – Lt. Governor Evelyn Sanguinetti

- a. "I want to start this meeting by, again, thanking everyone for your active participation over the last year. In February, Governor Rauner signed an executive order to establish our mission. He asked our task force to review state law relating to units of government and unfunded mandates and identify opportunities to deliver more efficient, effective and streamlined services to the residents of Illinois. Since our creation, I have visited all 102 of our counties. Along the way I've met with small business owners, farmers, elected officials, students, teachers, entrepreneurs, labor leaders, nonprofits, healthcare professionals, waterway operators, coal miners, university administrators and a countless number of local residents who are hungry for real reform in our state. Folks from Quincy to Danville and Cairo to Rockford provided their opinions on our consolidation and unfunded mandate mission, and I am proud to report that their opinions and recommendations are included in the sections of the report we will discuss today and at next week's meeting."

I. Presentations - Northern Illinois University Review of Sections in the final report

a. Norm Walzer

- i. The Report is coming together and is currently in the process of being organized in a way that is useful to Task Force members and does not end up sitting on a shelf once it is completed. The two major themes of consolidation and unfunded mandates are being completed, with a large amount of information compiled for each. The report has truly been driven by local input and local data, and that data is used to put together the proposals discussed in the Task Force with additional suggestions in the report. Recommendations for consolidation are driven by the need for efficiency through collaboration in a way that does not just delete numbers of government for the sake of lowering the numbers.
- ii. The main points in the counts of government section:
  - 1. Illinois has the largest number, and this number changes depending on the source
  - 2. Net increase of 148 units since 1998, mostly special districts
  - 3. Makes transparency difficult when there is a crazy quilt of governmental overlap
  - 4. Want to present Illinois as a clean, efficient deliverer of services, poor management and oversight causes the optics and reality of higher taxes
  - 5. The greater number of special districts causes a heavier reliance on property taxes
    - a. 2<sup>nd</sup> highest residential property taxes
    - b. Logical connection between increase in unfunded mandates and higher property taxes as well
  - 6. Local government decision makers need to be in power and the Task Force has the opportunity to reduce barriers for consolidation and mergers
- iii. Main points in the unfunded mandates section:
  - 1. An examination of unfunded mandates has been discussed going back to 1978, this is the first time data has been collected directly from local governments on the topic

2. Purpose was to have local governments drive data, respective associations to summarize, and the Task Force to analyze and have a list to work from
  3. About 500 responses were recorded from all over the state
  4. Difficult to provide cost estimates because we are relying on self-reporting and there is no method to extrapolate these estimates statewide
- iv. Concluded by emphasizing they had built of previous work and hope the report can be carried forward into meaningful legislation when the Task Force concludes at the end of the year

## II. New Business

- a. No new business was brought forth.

## III. Old Business – Voting on tabled proposals from the December 1<sup>st</sup>, 2015 meeting

- a. Proposal #1 as amended: Economic Feasibility Exemption for Local Units of Government, School Districts, Community Colleges, and Institutions of Higher Education.
  - i. Lt. Governor Sanguinetti began by stating the tabled proposals had been modified to reflect conversations and proposed amendment.
  - ii. She then introduced Brian Costin, Policy Director to the Lt. Governor, to give a brief summary on the first proposal.
  - iii. Brian Costin: Proposal #1 as amended - Economic Feasibility Exemption for Local Units of Government, School Districts, Community Colleges, and Institutions of Higher Education, as amended.
    1. Provide local units of government, school districts, community colleges and institutions of higher education the authority to annually exempt themselves from compliance with a state unfunded mandate(s) in the following circumstances:
      - a. The elected or appointed board of jurisdiction determines it is “not economically feasible” to comply with the unfunded mandate(s).
        - i. Requires public hearing
        - ii. Requires the board to estimate the cost of compliance with the mandate(s)
        - iii. Requires the board to explain how cost of compliance with this mandate(s) significantly hinders their ability to deliver on the authorized mission of the Unit of Government, School District, Community College or Institution of Higher Education
        - iv. Requires the board to certify the mandate(s) is:
          1. Not a federally required mandates; and
          2. Not a law or rule pertaining to health and public safety; and
          3. Not a law or rule pertaining to Local, State and federal civil rights laws; and
          4. Not an instructional mandate for school district
        - v. Requires 3/5 majority vote
      - b. Upon successful passage, applicable support documentation must be provided, in writing, to the Office of the Governor, Office of the Senate President, Office of the Senate Minority Leader, Office of the Speaker,

Office of the Minority Leader, and State Agency of jurisdiction within 10 business days of passage.

- c. Within 60 days of receiving local support documentation, State Agency Director (Agency Head) of jurisdiction can appeal to the Joint Committee on Administrative Rules (JCAR) to require compliance with said unfunded mandate(s) if the agency determines compliance is economically feasible under the following circumstances:
    - i. The state provides adequate, direct funding to meet the full cost of compliance with the mandate(s); or
    - ii. Compliance with the mandate(s) is found to be inherent in the mission of the Unit of Government, School District, Community College, or Institution of Higher Education; or
    - iii. The mandate(s) is determined to be federally required; or
    - iv. The mandate(s) is determined to be a law or rule pertaining to health and public safety; or
    - v. The mandate(s) is determined to be a law or rule pertaining to civil rights and protections; or
    - vi. It is an instructional mandate for school district
  - d. If the Joint Committee on Administrative Rules (JCAR) agrees with the Agency Director (Agency Head), by supermajority vote, that the unfunded mandate is not eligible for a waiver, the mandate waiver is rejected.
2. (For clarification: there currently exists a separate process for instructional mandate waivers.)
3. Definitions:
- a. "Economic Feasibility" is defined as "the degree to which the economic advantages of something to be made, done, or achieved are greater than the economic costs." (definition from Cambridge dictionary)
  - b. "Unfunded Mandate" – the definition of unfunded mandate will mirror the definition included in the State Mandates Act.
- iv. Lt. Governor Sanguinetti then opened this item up for discussion.
- 1. Darch asked to clarify the health and public safety sections to include the language "to a degree which should not be waived" in order to prevent exempting every perceived health and public safety mandate. If the local government makes the decision it is in the best interest of their community not to follow a mandate, allow them the flexibility to make the case to JCAR rather than eliminate all health and public safety mandates from discussion.
  - 2. Eggeman asked to add "stated" or "statutory" in instances of "inherent to the mission of" so that it narrows the scope of how a mission may be interpreted.
  - 3. Holmes asked if any legal changes needed to be made in order for JCAR to have this authority and if they were on board.
  - 4. Brian Colgan, Chief of Staff to the Lt. Governor, explained JCAR has been looped into the Task Force discussion and is interested in working with the Lt. Governor and legislatures. There would have to be some changes to

JCAR's authority, but they are interesting in working with the Task Force's recommendation in a bipartisan matter.

5. Aranowski noted it was important to be careful if adding the instructional mandate language and pointed out there is not a separate process for instructional mandate relief and Costin noted that was for clarification purposes and this proposal does not alter that at all.
6. Darch moved to add the following language:
  - a. Not a law or rule pertaining to health and public safety **"to a degree which should not be waved"**; and
  - b. Compliance with the mandate(s) is found to be inherent in the **"statutory"** mission of the Unit of Government, School District, Community College, or Institution of Higher Education; or
  - c. Not a law or rule pertaining to health and public safety **"to a degree which should not be waved"**; or
- v. Lt. Governor Sanguinetti then sought a motion for the approval of Proposal #1 as twice amended.
  1. Obernagel moved the motion to approve. Darch seconded.
  2. Roll was called on this measure.

<b>Name</b>	<b>Yay</b>	<b>Nay</b>	<b>Abstain</b>	<b>Absent</b>
Lt. Governor Sanguinetti	X			
Representative Demmer			X	
Representative Batinick	X			
Representative Franks				X
Representative Welch				X
Senator Duffy	X			
Senator Righter				X
Senator Sandoval				X
Senator Holmes	X			
Ms. Darch	X			
Ms. Hasera	X			
Mr. Cole	X			
Mr. Cronin				X
Mr. Bigger	X			
Mr. Kern				X
Mr. Espinoza	X			
Dr. Ruscitti	X			
Ms. Seegmiller	X			
Mr. Hammock				X
Mr. Dixon	X			
Mr. Obernagel	X			
Mr. Spain				X
Ms. Eggemann	X			
<b>Total</b>	14	0	1	

- b. Proposal #5 as amended: Give control of employee retirement benefit packages back to local governments for new employees.
- i. Lt. Governor Sanguinetti began by stating the tabled proposals had been modified to reflect conversations and proposed amendment.
  - ii. She then introduced Brian Costin, Policy Director to the Lt. Governor, to give a brief summary on the first proposal.
  - iii. Costin: Proposal #5 as amended - Give control of employee retirement benefit packages back to local governments for new employees.
    1. Local governments have been stressed financially by unpredictable and uncontrollable pension plans they have been forced to participate in by the state of Illinois. Costs for these pension plans have increased dramatically over recent years, sometimes due to pension sweeteners passed by the state without the corresponding funding necessary to pay for them.
    2. Giving local control of public employee pension plans back to local government officials would help relieve the intense financial pain from skyrocketing pension contribution requirements on local governments and taxpayers, which are often two to four times higher than Social Security tax rates.
      - a. Local governments would be able to opt-out of existing pension plans for new employees.
      - b. Create blended pension plan of Social Security and 401(k) for non-public safety employees.
      - c. Create blended defined contribution/defined benefit pension plan for public safety employees.
      - d. Local governments may give employees investment control of 401(k) style contributions, such as a choice of mutual funds, stocks or bonds.
      - e. Would not be a mandatory subject of collective bargaining.
  - iv. Lt. Governor Sanguinetti then opened this item up for discussion.
  - v. Seeing no discussion, Lt. Governor Sanguinetti then sought a motion for the approval of Proposal #5 as amended.
    1. Eggeman moved the motion to approve. Duffy seconded.
    2. Roll was called on this measure.
  - vi.

<b>Name</b>	<b>Yay</b>	<b>Nay</b>	<b>Abstain</b>	<b>Absent</b>
Lt. Governor Sanguinetti	X			
Representative Demmer			X	
Representative Batinick	X			
Representative Franks				X
Representative Welch				X
Senator Duffy	X			
Senator Righter				X
Senator Sandoval				X
Senator Holmes		X		
Ms. Darch	X			
Ms. Hasera	X			

Mr. Cole	X			
Mr. Cronin				X
Mr. Bigger	X			
Mr. Kern				X
Mr. Espinoza	X			
Dr. Ruscitti	X			
Ms. Seegmiller	X			
Mr. Hammock				X
Mr. Dixon	X			
Mr. Obernagel	X			
Mr. Spain				X
Ms. Eggemann	X			
<b>Total</b>	13	1	1	

IV. Public Comment

- a. No public comment was brought forth.

V. Adjournment

- a. Lt. Governor Sanguinetti announced the next meeting is next week, December 15<sup>th</sup> at the same time and location.
- b. Lt. Governor Sanguinetti sought a motion to adjourn.
  - i. Dixon moved the motion to approve. Darch seconded.
  - ii. The motion was approved with majority ayes with no nays recorded.